COASTAL CAROLINA UNIVERSITY
Clay Brittain Jr. Center for Resort Tourism
E. Craig Wall Sr. College of Business Administration

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The Tourism Economy Study: CCU Lodging Update, March 17, 2016

Current Performance Estimates

Hotel, Condo-Hotel and Campsite Properties

Preliminary results from Coastal Carolina University's voluntary sample of hotel, condo-hotel and campsite (HC-HC) properties along the Grand Strand during the week of March 6-12, 2016, indicate that the midweek occupancy rate averaged 48.7 percent, up 5.5 occupancy points or 12.9 percent compared to the equivalent week of 2015. During the Friday-Saturday night period, the occupancy rate averaged 82.3 percent, up 13 occupancy points or 18.8 percent compared to the equivalent weekend last year. The average daily rate (ADR) was down 3 percent during the midweek period but up 7.2 percent during the weekend period compared with last year. Consequently, HC-HC occupancy for the week overall was up 9.3 occupancy points or 19.6 percent, and revenue per available room (RevPAR) was up 23.7 percent compared with the equivalent week of 2015.

VRPs

Based on the Brittain Center's observations of random samples of Internet websites of vacation rental properties (VRPs) in the coastal sections of Horry and Georgetown counties (318 of the 3,135 units) for which complete data are publicly available, 54.3 percent were reserved or blocked from nightly rentals during the nights of March 5-11, 2016. The percentage of VRPs reserved in Horry and Georgetown counties combined was down 5.1 occupancy points or 8.5 percent compared with the equivalent week of 2015. For the nights of March 12-18, 2016, 58.8 percent of the VRPs were reserved or blocked from reservation. The level of reservations was down 2.7 occupancy points or 4.5 percent compared with the equivalent week of 2015.

Six-Week Average Performance

During the nights of Jan. 31-March 12, 2016, 41.4 percent of the lodging properties in the Brittain Center's voluntary sample of HC-HC properties located along the Grand Strand were occupied, which was up 2.6 occupancy points or 6.9 percent compared with the equivalent weeks of 2015. The average daily rate for these properties was up 7.7 percent compared with the equivalent weeks last year, leading to a 15 percent increase in average RevPAR compared with the equivalent period last year. During the same period in 2016, 45.3 percent of the VRP bedrooms in the Center's random sample of Horry County VRPs were reserved or blocked from nightly rentals, down 1.9 occupancy points or 4 percent compared with the equivalent weeks last year. Advertised prices for this segment were down 3 percent compared with the equivalent weeks last year, which would lead to a decline in revenue per available bedroom of 6.8 percent.

(*CCU Lodging Update continued page 2)*

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Forecast and Analysis

According to weather.com at the time of this writing, the forecast for the weekend of March 19-20, 2016, calls for a high temperature of 66 degrees and 59 degrees, and a 60 percent and 30 percent chance of rain, respectively. The Brittain Center predicts that average occupancy for its sample of HC-HC properties may be 80 percent for the weekend nights of March 18-19, even or within 3 occupancy points compared with the equivalent weekend of 2015. Based on this week's observations by Center researchers of 318 websites of VRPs available to rent in Horry and Georgetown counties, 66.2 percent are reserved for the week of March 19-25, 2016. VRP reservations in Horry and Georgetown counties for that week are up 9.9 occupancy points or 17.5 percent compared with the same week of 2015.

Additional Research Notes

The Brittain Center's preliminary sample of 24 HC-HC properties reporting for the week of March 6-12, 2016, consisted of 10 hotels (all but five are oceanfront/view, and five are brand affiliated), and 13 condo-hotels (all are oceanfront/view, one is brand affiliated), and one campground resort property. The results for the current moving six-week period are based on an average sample size of 8,600 units per week average.

Data collected and analysis created by:

The Clay Brittain Jr. Center for Resort Tourism

Taylor Damonte, Ph.D., professor/director

Derek Pride, Gustavo Cortez and Staci Willette, research assistants

In cooperation with:

The Grant Center for Real Estate and Economic Development

Gary Loftus, director

Note: The above analysis is based on sample estimates. Actual business performance results may vary greatly. Therefore, neither the above centers nor Coastal Carolina University warrant the use of the above data or analysis for specific business application.